

**SWINE MANAGEMENT, GROW-OUT  
AND FEEDING AGREEMENT  
(Keep-Full Agreement)**

THIS SWINE MANAGEMENT, GROW-OUT AND FEEDING AGREEMENT (hereinafter referred to as the "Agreement"), entered into this \_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_, by and among \_\_\_\_\_ (hereinafter referred to as "Grower"), and located at \_\_\_\_\_ Co., Iowa and Heartland Pork Enterprises, Inc., of Alden, IA, (hereinafter referred to as "Owner"), provides as follows:

WHEREAS, Grower owns a certain pig feeder facility described in Exhibit A hereto (hereinafter referred to as the "Facility"), and Owner desires to utilize such Facility to grow-out Owner's pigs into marketable slaughter pigs as set forth herein; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**SECTION 1 GROW-OUT.**

**1.1 DELIVERY OF PIGS.** Pigs shall weigh between 30 and 80 pounds when delivered to the Facility. Ownership of these pigs shall at all times remain with Owner. Advanced Management Systems, (a division of Heartland Pork Enterprises, Inc.) will act as exclusive Managing Agent for Owner.

**1.2 KEEP FULL REQUIREMENT.** Owner agrees to refill facilities within one week of the time the facility is emptied, cleaned, disinfected and ready for pigs.

Grower agrees to have facilities cleaned, disinfected and ready to receive pigs within 7 days from time facility is empty. If Grower does not have facilities cleaned, disinfected and ready to receive pigs as set forth above and Owner is ready to send pigs, Grower shall pay Owner at the rate of 11 cents per head capacity per day until Grower is ready to receive pigs.

**1.3 EXCLUSIVE USE OF FACILITY.** During the term of this Agreement Grower shall neither keep nor allow others to keep any pigs (other than Owner's) at the Facility, unless specifically directed, in writing, to do so by Owner. Grower agrees to permit Owner or his/her representative to enter the premises as often as desired for the purpose of inspecting the lot. Grower will not permit any other person to have physical access to the Facility without the approval of Owner. No pigs shall be removed from Grower's facilities without the advance consent of Owner. Grower may contract with a third party for management and operational services at each facility with the prior consent of Owner. Said consent shall not be unreasonably withheld.

## 1.4 GROW-OUT.

A. Grower agrees to properly maintain the Facility, and to provide all labor and supervision to raise Owner's pigs, to load and unload pigs at Grower's facilities, and to provide necessary water, electricity, bedding, and to clean pens all in accordance with instructions which may be given to Grower from time to time by Owner. All pens shall be cleaned between groups of pigs. Grower will rear the pigs placed by Owner with all modern husbandry practices and shall follow all directions provided by Owner for their rearing and care. If, in the opinion of Owner, Grower, is not rearing Owner's pigs in accordance with modern husbandry practices or in accordance with Owner's directions, Owner shall have the right to obtain outside management and labor to properly rear Owner's pigs and to charge \$3,840.00 per year per 41' x 231' building for that additional management and labor service. This charge shall be deducted monthly at the rate of \$320.00 per month per building from the Grow-Out charge payable by Owner to Grower as specified in paragraph 1.5 of this Agreement.

B. Owner will pay for the feed, transportation of all pigs to and from Grower's facilities and for the cost of reasonable veterinary service and medications but no veterinary service shall be engaged and no medication administered without the prior notification and consent of Owner. Owner shall provide, at it's own expense, all animal health products used on Owner's pigs, provided, however, that consumables such as needles, syringes, marking chalk and the like shall be furnished by Grower. Any veterinary service used by Grower shall be one which is approved by Owner. Owner or Owner's exclusive agent will perform all marketing functions involving Owner's pigs. Sufficient amounts of feed shall be available at all times but excessive amounts of feed shall not be stored on the premises.

C. Owner or Owner's exclusive agent's personnel shall have the right to enter the Grower's premises to inspect the pigs at all reasonable times and Owner or Owner's exclusive agent, upon prior notice to Grower, shall have the right to enter and remove Owner's pigs at any time.

D. Grower shall rear the pigs placed by Owner and shall obtain standard form liability insurance coverage for bodily injury and property damage. Owner will provide adequate fire and wind insurance on these pigs.

E. On the last day of each month, Grower shall take an inventory of all hogs belonging to Owner in Grower's possession by actually counting the hogs in Grower's possession. A report of such inventory shall be furnished to Owner or Owner's designated manager in writing not later than the third day of the following month, and shall report the number of hogs on hand.

F. Any hogs not accounted for based on inventories and death loss reports or miscounts at packer shall be submitted to Owner at the conclusion of grow-out period; those missing will be priced at market price.

(Example:  $\$.49 \times 230 \text{ lbs.} = \$112.70$ )

This amount times the number of hogs not accounted for will be deducted from the final payment to Grower.

G. Grower will report to Owner or Owner's designated manager all death losses on the day the loss occurs by phone notice in the manner specified by Owner to Heartland Pork Enterprises, Inc., 15491 State Hwy 941, Alden, IA 50006-9103; phone (515)-859-7801. Additionally, grower will complete weekly reports detailing all movement of hogs, feed deliveries and other information applicable to the group of hogs.

**1.5 GROW-OUT CHARGE.** Owner will pay Grower a Grow-out charge calculated as follows on each group of hogs put in facilities:

A. \$40,800.00 per year per building on each 41' x 231' building payable monthly at the rate of \$3,400.00 per month. This amount shall be payable the first day of each month.

B. Upon completion of construction of each building, owner shall place pigs in the building within 30 days. The first monthly payment to Grower will be a prorated amount based on the number of days of the month the building was actually occupied with hogs. If 30 days after the completion of construction Owner has not placed hogs in the building, Owner will begin making payments as outlined above.

## **SECTION 2 MISCELLANEOUS.**

**2.1 TERM.** The term of this Agreement shall commence on the date hereof and end on \_\_\_\_\_, \_\_\_\_\_. Unless otherwise provided in this Agreement, it shall be terminated upon 30 days written notice by either party for a failure of the other party to comply with a material term hereof; provided, however, that once pigs are delivered by Owner to Grower, then the contract cannot be terminated by Owner or Grower with respect to that given lot of pigs until said pigs are marketed by Owner.

The parties to this agreement agree that during the period between \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, \_\_\_\_\_, they will attempt to negotiate a renewal of this Agreement on terms and conditions acceptable to both parties with the intent of entering into a new written agreement before the end of the term of the Agreement. Both parties will act in good faith based upon the facts and circumstances at the time of negotiation. If the parties do not enter into a new written agreement prior to the end of the term of this Agreement, then this Agreement will expire on the date described above.

**2.1(a)RIGHT OF FIRST REFUSAL.** If the parties do not negotiate a renewal of this agreement as outlined in paragraph 2.1 above, Grower agrees to grant Owner a right of first refusal. Before Grower enters into any other contractual arrangement for the use of Grower's buildings, he shall give Owner written notice of the terms and conditions of such agreement. Owner shall have 30 days from the date of this notice to exercise this right of first refusal by forwarding to Grower a written contract on the same terms and conditions as the proposal contract. After expiration of the 30 day period, without Owner forwarding a contract to Grower, Grower may enter into a contractual arrangement with any other party on the same terms and conditions offered to Owner. All notices provided herein shall be mailed to the other party's last known address by certified mail, return receipt requested.

**2.2 NOTICES.** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid:

- If to Grower to:

- If to Owner to:

Heartland Pork Enterprises, Inc.  
15491 State Hwy 941  
Alden, IA 50006-9103  
% Mr. Bruce Rastetter

**2.3 CREDIT REPORT.** Owner agrees to permit Grower to check upon its credit rating with Owner's bank and other creditor, and agrees to provide available credit information to Grower upon its request. Grower agrees to do likewise and authorize Owner to conduct credit checks.

**2.4 LIMITATION OF LIABILITY.** Grower shall not be liable for any losses outside of its control or beyond the scope of the express responsibilities imposed by the terms of this contract. Owner agrees that Grower is neither an agent or employee of Owner and Grower shall save and hold harmless Grower from any damages or expenses that Owner may incur as a result of Grower's services under this Agreement.

**2.5 AMENDMENTS.** This Agreement sets forth the entire understanding of the parties and it may be amended or modified by, and only by, a written instrument executed by the parties hereto.

**2.6 EXPENSES.** Except as otherwise provided herein, all legal, accounting, and other costs and expenses incurred in connection with this Agreement and any related agreement(s) and the transactions contemplated hereby and thereby shall be paid by the party incurring such expenses.

**2.7 BINDING EFFECT.** This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors, permitted assigns and personal representatives. This Agreement shall not be assigned by any party thereto except upon the written consent of the other parties. Nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies under or by reason of the Agreement.

**2.8 SEVERABILITY.** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement in any other jurisdiction.

**2.9 CAPTIONS.** The captions herein are inserted for convenience of reference only and shall be ignored in the construction or interpretation hereof.

**2.10 GOVERNING LAW.** This Agreement shall be governed and construed in accordance with the law of the State of Iowa.

**2.11 ACT OF GOVERNMENT.** Any order, regulation or administrative action taken by the United States Government, any foreign government, the State of Iowa or any local government, without the fault of the affected party, that interferes with Owner's ability to place pigs or Grower's ability to receive pigs relieves both parties from responsibilities of this Agreement, unless the parties otherwise agree.

IN WITNESS WHEREOF, this Agreement has been executed as of the date and year first above written.

\_\_\_\_\_  
Heartland Pork Enterprises, Inc.

By: \_\_\_\_\_ By: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Its: \_\_\_\_\_ Its: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

## EXHIBIT "A"

Legal Description of Facility

Directions to Facility